Chapter 4

Competitive Solicitations

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Chapter 4

Competitive Solicitations

Overview

Introduction   This chapter describes the requirements relative to conducting competitive solicitations under a department's approved purchasing authority for non-IT goods and/or IT goods and services.

Discussion points include supplier treatment, advertising requirements, procurement methodologies, and developing solicitations. Also included are descriptions of evaluation and selection methods and using the SB/DVBE Option for acquiring goods and/or services.

Chapter 4 only addresses those solicitation methods for competitive bids and does not include achieving best value through the use of LPA purchasing authority. Refer to Chapter 6 – Leveraged Procurement Agreements for purchasing authority requirements for using LPA. Refer to the SCM for acquisitions of non-IT services outside of the LPA framework.

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Section A

The Basics of Competition

Overview

Introduction   Competition is one of the basic tenets in State procurement. The nature of effective competition varies with the goods and services being acquired. Depending upon decisions made during the planning phase, the procurement may be informal or formal, the selected competition method may be a phone call or a written solicitation document, distributed by fax, electronic mail or regular mail, depending on the procurement value. Procurement activities must be conducted in an open and fair environment that promotes competition among prospective suppliers.

Contents   This section contains the following topics:

Topic 1 – General Requirements

4.A1.0 Procurement standards

Departments granted purchasing authority to conduct competitive procurements for either non-IT goods or IT goods and services will do so in a manner that promotes open, fair and equal competition among prospective suppliers.

4.A1.1 Supplier treatment

Buyers conducting competitive procurements shall provide qualified suppliers with a fair opportunity to participate in the competitive solicitation process, stimulating competition in a manner conducive to sound State fiscal practices, and emphasizing the elimination of favoritism, fraud, and corruption in awarding contracts.

4.A1.2 Per transaction thresholds

Competitive procurements conducted under purchasing authority for either non-IT goods or IT goods and services may not exceed the dollar thresholds as authorized by DGS/PD to the individual department. Dollar thresholds exclude sales and use tax, finance charges, postage and handling. Shipping charges are also excluded from the dollar threshold limits unless the shipping charge is included in the evaluation such as FOB Origin, Freight Collect or FOB Destination. When a transaction exceeds or is expected to exceed a department's approved authority threshold, the department must prepare and submit a Purchase Estimate (STD.66) or a memo, if the transaction is for IT services, to DGS/PD for processing. Contact TAS for instructions on submitting IT service procurement requests.

Refer to Chapter 1 – Purchasing Authority to review purchasing authority scope.

Topic 1 – General Requirements, Continued

4 A1.3 Maintaining confidentiality is paramount

During the competitive solicitation and throughout the evaluation and award process all information must remain confidential. Documentation must be maintained in a secured area. Once bids are opened and evaluated and an intent to award is released, all documentation (unless deemed proprietary) becomes public documents available to anyone that requests a review of the procurement file. Refer to Public Records Act, GC section 6250, for exemptions from disclosure.

Departments conducting written competitive solicitations will often have other departmental participants, in addition to the buyer, involved in the solicitation development, evaluation, and selection process, as well as other personnel on a "need to know" basis. All of these personnel must sign confidentiality statements. The signed statements must be retained within the procurement file.

Click here to access a sample confidentiality policy.   Word   PDF

Click here to access a sample confidentiality statement.   Word   PDF

4.A1.4 Supplier recrimination will not be tolerated

Departments shall not condone recriminations against suppliers who request information regarding a bid response or who request information regarding specifications required in any contract.

4.A1.5 File documentation for competitive solicitations

Click   here to access the recommended file documentation list for non-IT goods competitive solicitations.

Click   here to access the recommended file documentation list for IT goods competitive solicitations.

Click   here to access the recommended file documentation list for IT services competitive solicitations.

Click   here to access the file documentation list for transactions under $5,000.00.

Topic 2 – Developing Supplier Resources

4.A2.0 Bid lists

Departments should establish bidder lists using a variety of means to locate potential suppliers. Departments should vary the use of suppliers they select for competition to broaden their supplier base and should solicit certified SB's and certified DVBEs whenever possible. Resources available to departments to identify and/or establish bid lists are:
- Phone books
- Local trade unions
- Chamber of commerce
- Industry listings
- LPA databases (CMAS suppliers and Statewide Checklist resources)
- Certified SB and DVBE firms database
- Recommendations from customers

Note: Since advertising is required for non-IT goods solicitations exceeding $25,000 and for IT goods and services solicitations exceeding $100,000, bid lists are generally used for informal solicitations below those dollar levels. However, departments may use bid lists in addition to advertising.

4.A2.1 Know the supplier pool

The suppliers you contact must be suppliers that you know through either investigation or experience can potentially provide the goods or services that you seek.

4.A2.2 Request for Interest

A Request for Interest (RFI) may be used to separate those suppliers who intend to participate in an upcoming solicitation from those who have no interest in participating. RFIs are typically used when there is an excessively large pool of interested suppliers.

4.A2.3 Request for Information

A Request for Information (RFI) may also be used to "survey" the marketplace to understand what products or services may be available and to approximate the dollars that may be needed for a procurement.

Topic 2 – Developing Supplier Resources, Continued

4.A2.4 RFI components	The RFI should: • Be short, concise and to the point, • Include the solicitation number and title, • Include a general description of the equipment or services to be solicited, • Include estimated quantities, features, general time frames, any pertinent geographic information, buyer's name and telephone number, etc. • Not provide or ask for any cost information as such information could create an unfair bidding environment, • Provide space for interested bidders to provide contact name, address, telephone number and submittal date, and • Include where and how to submit the response to the RFI.
4.A2.5 Purpose of RFI	The RFI establishes the bid list for buyers to use when distributing a solicitation. Buyers must keep track of the suppliers who respond and when ready, mail the solicitation to them. The RFI and the bidders list become part of and must be retained in the procurement file.
4.A2.6 Limited supplier or product sources	If the department determines that only certain suppliers and/or products can meet its needs, a competitive solicitation can be conducted soliciting only those pre-determined suppliers or products without prior approval from DGS/PD. Examples of acceptable types of pre-determination include suppliers of certain goods authorized or certified by a manufacturer or goods of a specific make and/or model needed to meet the State's needs. When a competitive solicitation is conducted using pre-determined suppliers and/or products, the procurement file must be appropriately documented with the details of the business need, why other suppliers and/or products will not meet the need, and how the proposed suppliers and/or products were determined. **Warning:** A department may not limit competition to pre-determined suppliers and/or products merely to circumvent the competitive bidding process.

Topic 3 – Advertising Requirements

**4.A3.0
California
State
Contracts
Register**

The California State Contracts Register (CSCR) was established to maximize competition through advertising State purchasing and contracting opportunities.

Click here to access the California State Contracts Register web page.

**4.A3.1
Advertising**

Departments must advertise solicitations in the CSCR. A copy of the published advertisement must be included within the procurement file. The table below describes the requirements for advertisements.

If the purchase is classified:	And the dollar threshold is valued	Then advertising is
Non-IT goods	$5,000.00 - $25,000.00	Recommended
Non-IT goods	In excess of $25,000.00	Required
IT goods	In excess of $100,000.00	Required
IT services	In excess of $4,999.99	Required
IT goods and services	In excess of $4,999,99 on the service portion only	Required

**4.A3.2
Publish date
versus
solicitation
release date**

A contract advertisement must be published before the release date of the solicitation. Departments shall not release solicitations prior to publication in the CSCR.

**4.A3.3
Publish date
versus bid or
proposal due
date**

Departments must advertise for at least 10 working days prior to the bid due date or, if the solicitation is an IFB or RFP, the first key action date. Departments requesting a shorter timeframe must request and justify the need for the shorter timeframe to CSCR.

**4.A3.4
SB/DVBE
Option**

GC section 14838.5 eliminates the advertising requirement for transactions awarded to a certified SB or a certified DVBE when conducting a SB/DVBE Option solicitation. Refer to Section B, Topic 7 of this chapter for additional information.

Continued on next page

Topic 3 – Advertising Requirements, Continued

4.A3.5 Contract advertising exemption	GC section 14827 et. seq requires departments to advertise and bid all contracts for IT services in excess of $4,999,99. Departments can be granted an exemption from advertising in the CSCR if a Contract Advertising Exemption Request (STD.821) is submitted to the DGS/PD for review and approval. This form is used for two purposes: • When a competitive solicitation is requested to be exempted from advertising or, • When a competitive solicitation is neither feasible nor possible. When a competitive solicitation for IT services will be conducted, but the department is requesting an advertising exemption, the department must submit a written statement with the STD.821 that explains why an exemption is being requested, provide supporting information such as why the services cannot be advertised, and include a list of the contractors that will be solicited. A NCB contract justification is not required. An NCB contract justification must be submitted with the STD.821 when a competitive solicitation for IT services will not be conducted and the department is requesting an advertising exemption. Refer to PAM, Chapter 5. Click here to access the STD.821.
4.A3.6 Additional exemptions by statute or policy	There are types and/or categories of purchases that may be awarded without advertising or competitive bidding as a result of being exempt by statute or policy. Transactions that are exempt from advertising or competitive bidding either by statute or policy do not require an NCB contract justification and/or a STD.821. It is recommended that a statement of fact be documented in the procurement file to identify the basis of the exemption. Refer to Chapter 5, Topic 6 for examples of documenting an exempted transaction. For a list of these types and/or categories of purchases, refer to SAM section 1233, and Chapter 5 of this manual.

Section B

The Solicitation

Overview

Introduction The solicitation documents the procurement process and includes the solicitation and contract requirements. It is the guiding document to insure suppliers submit responsive bids and that the procurement is successful.

Contents This section contains the following topics:

Topic 1 – Solicitation Approaches

**4.B1.0
Informal vs.
formal**

Solicitations are documents used to request bids from suppliers and are characterized as either informal or formal. A department's competitive purchasing authority is granted for the dollar value of the solicitation. A department's type of approved purchasing authority, non-IT or IT, and its respective authorized dollar threshold will determine the solicitation format to be prepared and additional related requirements.

The following table provides the dollar thresholds for distinguishing between informal and formal solicitations.

Procurement Type	Informal Solicitation	Formal Solicitation
Non-IT goods	$25,000.00 and less	More than $25,000.00
IT goods and services	$500,000.00 and less	More than $500,000.00

Warning: IT goods and services informal solicitations valued from $100,000.01 to $500,000.00 require specific solicitation language for protest and award procedures. Refer to Section B Topic 3, of this chapter for additional information.

Click here to access the Comparison of Requirements for Non-IT Goods Competitive Solicitations Greater than or Less than $25,000.00.

Click here to access the Comparison of Requirements for IT Goods and Services Competitive Solicitations Greater than or Less than $500,000.00.

**4.B1.1 Phone
quotes**

Buyers may conduct informal solicitations by phone. Buyers using this solicitation method must prepare a "script" or narrative of the bid requirements so that each bidder is informed equally and buyers can evaluate quotes fairly. The "script" must include referring bidders to the PD web page to read the current bidder instructions and applicable general provisions associated with the purchase. The buyer then documents the quotes received over the phone by using the recommended Bid/Quote Worksheet. Both the script and the bid/quote worksheet must be retained in the procurement file.

Note: Phone quotes would not be an acceptable method for conducting solicitations if the service portion (set-up, installation, etc.) of the purchase exceeds $4,999.99 or more for either non-IT goods or IT goods and services because of the advertising requirements described in Section A, Topic 3 of this chapter.

Click here to access the Bid/Quote Worksheet.　　Word　　PDF

Continued on next page

Topic 1 – Solicitation Approaches, Continued

**4.B1.2
Written
solicitation**

Buyers may conduct informal solicitations using written solicitation formats. Although there are instances where an informal solicitation <u>must</u> be written such as:
- Any solicitation that is advertised in the CSCR.
- Any IT service transaction that exceeds $4,999.99.
- Any IT goods and services transaction valued at $100,000.01 to $500,000.00.

All formal solicitations must be written.

Written solicitations may be distributed by fax, mail, electronically or by other means such as a supplier picking up the solicitation in person. It is recommended that whatever delivery method is used, the buyer documents the activity in the procurement file.

See examples of Request for Quotation (RFQ), Invitation for Bid (IFB), and Request for Proposal (RFP) found in this <u>chapter</u>. Also refer to Section A, Topic 1 of this <u>chapter</u> for file documentation requirements.

**4.B1.3
Supplier
signatures**

Supplier bid responses to any written solicitation regardless of dollar value; solicitation format or delivery method (i.e. fax, electronically, mailed or delivered in person) must include the signature of an authorized supplier representative of the bidder. "Faxed" signatures are acceptable for solicitation as allowed by the pertinent delivery method.

<u>Non-example</u>
Faxing would not apply in a formal IT value-effective solicitation response that requires separate volumes for administrative/technical and cost (which must be separately sealed until the administrative and technical requirements are evaluated).

Exception: Supplier signatures are not required if the solicitation is conducted as a phone quote. Although the buyer must document the supplier representative name providing the quote.

Topic 2 – Developing the Competitive Solicitation

4.B2.0 Solicitations should be clear and concise	All solicitations regardless of format (phone quote, RFQ, IFB, RFP) must clearly state the needs or business requirements of the department in order for a supplier to weight the risks and price the purchase. Buyers should use concise, logical wording in precise terms, stating the supplier's obligations as well as those of the department. Use clear, simple English as much as possible. The words "shall" and "must" identify mandatory (essential) requirements within a solicitation. The words "should" and "may" identify optional (conditional) requirements sometimes referred to as desirable requirements.
4.B2.1 Avoid writing restrictive requirements	Departments may not include requirements in solicitations that restrict the bidding to a single supplier. Buyers can avoid restrictive requirements by: • Including only essential requirements. • Avoiding restrictive or impractical requirements such as those that are nonessential or obsolete. • Carefully checking delivery requirements to ensure the turnaround time from supplier's receipt of order to delivery is not too restrictive or limiting. • Defining requirements to promote and encourage bidders to bid standard items or standard service where possible. • Not specifying a particular brand name, product or a feature of a product that is peculiar to one manufacturer, except for reference purposes. • Not dictating detailed design solutions prematurely. • Allowing sufficient time from the solicitation mail date to the bid due date or first key action date to provide suppliers time to review and consider the requirements, prepare a response, and mail the response back.

Topic 2 – Developing the Competitive Solicitation, Continued

4.B2.2 Common elements of written solicitations

All written solicitations must contain the following elements:
- The date and time suppliers' responses are due.
- Request the signature of authorized supplier representative that can bind the company contractually.
- Information on how the bid responses are to be submitted. (i.e., sealed envelope with the solicitation number and due date and time on the outside of the sealed package.
- Any attachments which are included and are required to be returned by bidders such as:
  - Preference program forms (i.e., TACPA/EZA/LAMBRA)
  - DVBE participation program forms
- Administrative requirements, as applicable
- Technical requirements, as applicable
- Cost forms or clear indication of cost placement in the solicitation
- Evaluation information (basis for award)

There is no required "model" solicitation to be used for goods IFBs. The IFB model referenced in Section B, Topics 4-5 of this Chapter may be modified and used to suit department's needs.

4.B2.3 IFB/RFP elements for IT solicitations

IFB and RFP written IT solicitations are phased approaches, leading to final bid submittal and always include key action dates. Key action dates provide suppliers with a schedule for required actions during the solicitation process. Examples of key action dates include:
- Intent to Bid letters
- Last day to submit questions for clarifications of IFB or RFP
- Last day to protest requirements
- Technical Proposal or Conceptual Proposal submittal due date (RFP only)
- Draft bid due date (not required for IFBs)
- Final bid due date

The interval between each key action date must provide enough time to establish a sufficient supplier pool and provide suppliers with sufficient opportunity to act or respond.
Click here to view SAM section 5200 recommendations for date intervals between submittals. (Refer to SAM section 5221, Illustration 2 (Cont. 7)).
Click here to view SAM section 5221 for the Model IFB/RFP format. This section includes narrative instruction for each section of the IFB/RFP allowing the reader to understand the type of information required by each section. Contact PAMS for advice and/or samples of solicitations.

Topic 2 – Developing the Competitive Solicitation, Continued

4.B2.4 Faxing bid responses

The following paragraph must be included in all written competitive solicitations (non-IT or IT goods) when a department allows suppliers to fax their bids:

"Facsimile machine bids will be considered only if they are sent to (office fax number) for solicitations originating from the (department office location). Bids sent to any other (department unit name) fax number will not be considered. To be considered, all pages of the faxed bid that are received prior to the bid opening time specified in the bid will be considered "the complete bid". Please be advised that there is a heavy demand placed on the fax machine receiving bids and the State assumes no responsibility if a supplier cannot transmit their bid via fax, if the entire bid is not received prior to the bid opening time."

Note: IT solicitations that use either the IFB (when services are included that must be evaluated for value-effectiveness) or the RFP format require cost to be separately sealed, thus, faxing will not be allowed.

4.B2.5 Preference programs

Departments must include the following business participation programs requirements in competitive solicitations with an estimated dollar value of $100,000 and over:
- TACPA
- EZA
- LAMBRA

Departments are strongly advised to include these business participation program requirements in competitive solicitations with an estimated dollar value of $85,000. Refer to Chapter 3, Topic 5 for further information.

4.B2.6 DVBE participation

Departments are reminded to develop DVBE language to include in their solicitations that complies with the DVBE participation program. Refer to Chapter 3, Topic 3 for further information.

Note: Whenever the DVBE participation requirement is not included in a solicitation, the buyer must provide documentation within the procurement file to support that the department director or designee has authorized the exemption   This requirement is not applicable if the SB/DVBE Option procurement approach is used.

Topic 2 – Developing the Competitive Solicitation, Continued

4.B2.7 Small business participation

Departments are reminded to make every effort to seek out and include certified small businesses in procurement efforts and to include the 5% small business preference and non-SB subcontractor preference in all solicitations, except when soliciting CA certified SBs and DVBEs under the SB/DVBE Option. Refer to Chapter 3, Topic 2 for additional information and Topic 4 for information on how to apply these preferences in evaluations.

4.B2.8 Samples

The practice of obtaining samples from suppliers prior to contract award is not recommended, unless it is a requirement of the solicitation process. If items are needed for review prior to award for demonstration or pre-purchase testing, the solicitation must so state and be noted with the information that the department is not obligated for the cost of the items or for their return. Be extremely cautious that the solicitation response does not contain terms or conditions that would result in the automatic purchase of the item(s) being tested.

Topic 3 – Request for Quotation

**4.B3.0
Request for
Quotation
(RFQ)**

The most common written solicitation format used for conducting informal competitive solicitations is the Request for Quotation (RFQ). The RFQ is a straightforward procurement format identifying by item and quantity what is needed and requests a price.

The RFQ may not be used in value effective solicitations for IT services. If departments choose to use the RFQ format for IT goods over $100,000.00 then the solicitation document must use the language specified in the link below for protest and contract award. When the RFQ is used that includes protest and 5-day intent language in the solicitation, the Bidder's Instructions must be modified to delete conflicting language.

Click here to access the required language for IT RFQs that exceed $100,000.00

**4.B3.1
Solicitation
format**

Click here to access the RFQ solicitation format.   Word   PDF

**4.B3.2
Required
language**

The following solicitation language must be considered and addressed as applicable in a buyer's solicitation using the RFQ format:
- Identifying Bidder Instructions and applicable General Provisions for the solicitation. Refer to Section B, Topic 8 of this chapter
- Identifying requirements of faxing bid responses. Refer to Section B, Topic 2 of this chapter.
- Including language addressing the socioeconomic and environmental programs as applicable (SB, TACPA/EZA/LAMBRA, etc). Refer to Chapter 3.
- Identifying the requirements for protest and contract award when using the RFQ format for IT goods over $100,000.00 - $500,000.00. Refer to the above information contained in information block 4.B3.0.

**4.B3.3
Documenting
the results**

The buyer must document quotes received by using the recommended Bid/Quote Worksheet. The bid/quote worksheet must be retained in the procurement file.

Click here to access the Bid/Quote Worksheet.   Word   PDF

Continued on next page

Topic 3 – Request for Quotation, Continued

4.B3.4 Contract award

Contract award resulting from the RFQ process will be to the responsible bidder that submits a responsive bid that is the lowest cost after application of any preference requirements (SB, TACPA/EZA/LAMBRA, recycle, etc) or discounts, if applicable.

Topic 4 – Invitation for Bid Specific to IT Solicitations

4.B4.0 Invitation for Bid (IFB)

The Invitation for Bid (IFB) is a written procurement method usually used to solicit bid responses for IT goods alone or for IT goods and services exceeding $500,000.00.

The IFB or RFP may be used for solicitations that exceed $100,000.00 for goods alone, but must be used whenever services are present. Whenever departments use the IFB format for IT procurements, either goods alone or goods and services the format contained in SAM section 5221 must be used.

This solicitation format is more structured than the RFQ and allows buyers to organize requirements by type such as administrative/technical specifications, evaluation methodology, bid preparation instructions and includes contract language.

Buyers using the IFB format should develop a standard method for documenting the evaluation and selection process used for contract award.

Click here to access the suggested IFB format.   Word   PDF

Click   here to reference the IFB/RFP format and detailed instructions for use in SAM section 5200.

4.B4.1 Allows for phased approach

An IFB allows buyers to phase their procurement effort by establishing dates for suppliers to provide specified required documents, such as Intent to Bid letter, Draft Bid, and Final Bid. An IFB specifies the State's minimum acceptable functional, technical, and contractual requirements.

4.B4.2 Contract award

The evaluation criteria governing contract award may be based on the highest evaluated points for value effective evaluations that include services or may be based on lowest cost if the IFB is for goods alone. Buyers should consider the IFB for IT goods solicitations exceeding $100,000.00.

Topic 4 – Invitation for Bid Specific to IT Solicitations,
Continued

4.B4.3 When to use

Buyers should consider the IFB for IT goods solicitations exceeding $100,000.00 and must use the IFB for IT goods and services. If the IFB includes services, cost is required to be submitted in a separately sealed envelope and requires the technical and administrative evaluation to occur prior to opening the cost envelope. Cost envelopes will not be opened for bid responses containing material deviations See Section C of this chapter for a discussion regarding evaluation of deviations and the handling of cost envelopes.

4.B4.4 Evaluation and selection team procedures

Departments using the IFB format for IT procurements must use the Evaluation and Selection Team Procedures provided in the link below. This document provides information on how the IFB evaluation procedure is to be carried out. The document may be modified to fit the particular solicitation and includes templates of letters and transmittal documents to bidders including the Intent to Award letter.

Click here to access the Evaluation and Selection Team Procedure document.   Word   PDF

4.B4.5 Evaluation and selection report

Buyers using the IFB format for IT procurements must use the Evaluation and Selection Report format provided in the link below to document the evaluation and selection process used for contract award.

Click here to access the Evaluation and Selection Report template.
Word   PDF

Topic 5 – Invitation for Bid Specific to Non-IT Solicitations

4.B5.0 Invitation for Bid (IFB)	The Invitation for Bid (IFB) is a written procurement method usually used to solicit bid responses for non-IT goods exceeding $25,000.00. Departments may use the IFB to solicit bid responses less than $25,000.00; it is at their option.
4.B5.1 Solicitation format	For non-IT goods procurements exceeding $25,000.00, the IFB format is less structured and does not require a phased approach to final bid. Refer to sample IFB document below.

This document will also provide a chronology of the events that occurred during the solicitation process such as:
• Date of advertisement
• Names of bidders responding
• Date solicitation released

Click here to access the suggested IFB format for non-IT goods. Word   PDF |
| **4.B5.2 Required language** | The following solicitation language must be considered and addressed as applicable in a buyer's solicitation using the IFB format:
• Identifying Bidder Instructions and applicable General Provisions for the solicitation. Refer to Section B, Topic 8 of this chapter
• Identifying requirements of faxing bid responses. Refer to Section B, Topic 2 of this chapter.
• Including language addressing the socioeconomic and environmental programs as applicable (SB, recycled, TACPA/EZA/LAMBRA, etc). Refer to Chapter 3. |

Topic 5 – Invitation for Bid Specific to Non-IT Solicitations,
Continued

4.B5.3 Documenting the results	<u>Transactions less than $25,000.00 </u>must document responses received by using the recommended Bid/Quote Worksheet. The bid/quote worksheet must be retained in the procurement file. Click here to access the Bid/Quote Worksheet. Word PDF <u>Transactions exceeding $25,000.00</u>, the evaluation and selection may be documented using the Procurement Summary form or the department may develop its own format as long as the pertinent facts are included. This document must provide a chronology of the events that occurred during the solicitation process such as: • Date of advertisement • Names of bidders responding • Date solicitation released Click here to access a Procurement Summary Document. Word PDF
4.B5.4 Contract award	Contract award resulting from this IFB process will be to the responsible bidder that submits a responsive bid that is the lowest cost after application of any preference requirements (SB, TACPA/EZA/LAMBRA, recycle, etc) or discounts, if applicable.

Topic 6- Request for Proposal Specific to IT Solicitations

**4.B6.0
Request for
Proposal
(RFP)**

The Request for Proposal (RFP) is a written procurement approach required for IT goods and services solicitations exceeding $500,000.00. The RFP is a solicitation format that is structured like the IFB allowing buyers to organize requirements by type such as administrative/technical specifications, evaluation methodology, bid preparation instructions and contract language.

The RFP states the solicitation requirements or specifications in a more general nature describing the problem to be solved or the goal to be achieved. Suppliers "propose" a business solution to the State's described needs, free of any precise imposed mix of hardware, software, etc.

Note: In contrast, IFBs ask suppliers to provide a cost bid to the State's known and detailed requirements.

**4.B6.1
Phased
approach**

An RFP allows buyers to phase their procurement effort by establishing dates for suppliers to provide specified required documents, such as Intent to Bid letter, Conceptual Proposal, Detailed Technical Proposal, Draft Bid, and Final Bid. The RFP requires cost to be submitted in a separately sealed envelope and requires technical and administrative evaluation to occur prior to opening the cost envelope. Cost envelopes will not be opened for bid responses containing material deviations. See Section C of this chapter for a discussion regarding evaluation deviations and handling of cost envelopes.

Click   here to reference the IFB/RFP format and detailed instructions for use in SAM section 5200.

**4.B6.2
Contract
award**

The evaluation criteria governing contract award is based on value-effective factors that includes cost. These factors are weighted; generally the administrative and technical requirements equal 50% and cost equals 50%.

If a department chooses a weighting other than 50/50, it must be approved by the Purchasing Authority Management Section (PAMS) prior to release of the solicitation. All factors for evaluation must be detailed in the evaluation section of the RFP.

Contract award if made, will be to the supplier who scores the highest points in accordance with the evaluation methodology as described in the solicitation document. Contact PAMS for advice on preparation of value effective acquisition methodologies.

Topic 6- Request for Proposal Specific to IT Solicitations,
Continued

4.B6.3 Evaluation and selection team procedures	Departments using the RFP format for IT procurements must use the Evaluation and Selection Team Procedures provided in the link below. This document provides information on how the RFP evaluation procedure is to be carried out. The document may be modified to fit the particular solicitation. Click here to access the Evaluation and Selection Team Procedure document. Word PDF
4.B6.4 Evaluation and selection report	Buyers using the RFP format for IT procurements must use the Evaluation and Selection Report format provided in the link below to document the evaluation and selection process used for contract award. Click here to access the Evaluation and Selection Report template. Word PDF

Topic 7 – SB/DVBE Option

**4.B7.0
SB/DVBE
Option**

GC section 14838.5 (a) and (b) allows departments to solicit CA certified SB and DVBE suppliers and award purchase documents valued from $5,000.01 to $99,999.99, provided the department has obtained responsive bids from at least two responsible bidders.

**4.B7.1
Making use of
the option**

A department must have approved purchasing authority for non-IT and/or IT, as applicable, to use the SB/DVBE Option.

Note: Buyers are reminded that supplier participation is limited to only CA certified SB or DVBE suppliers. This procurement approach does not provide for the inclusion of non-SB suppliers claiming SB subcontractor participation.

**4.B7.2
Requirements**

Departments conducting solicitations using this procurement category must verify that participants are certified either SB or DVBE. This verification must be documented in the procurement file. Refer to Topic 2 and Topic 3 of Chapter 3 for additional information.

**4.B7.3
Solicitation
requirements**

Departments granted SB/DVBE Option purchasing authority, non-IT and/or IT, are authorized to conduct SB/DVBE Option competitive solicitations under GC section 14838.5 (a) and (b) as follows:
- Create the solicitation as described in this chapter.
- Release the solicitation package only to certified SB or DVBE businesses.
- SB or DVBE certification status must be verified through the OSDC Internet site.
- Contract award may be made upon receipt of responsive price quotations from at least two (2) responsible certified SB or DVBE businesses and award must be made based upon the solicitation format used. I.e. A non-IT goods RFQ valued under $25,000.00 would be awarded based on low bid.
- The procurement file must be documented to support the contract award and the action taken, including copies of SB or DVBE business certification as printed from the OSDC search database.

**4.B7.4
Printing
acquisitions**

A buyer conducting a printing project solicitation anticipated being valued from $5,000.01 to $99,999.99 and using the SB/DVBE Option procurement approach must also solicit OSP in accordance with GC section 14612.2. Refer to Section C, Topic 4, Chapter 2 on the requirements.

Topic 8 –Bidder Instructions and Required Contract Language

4.B8.0 Bidder Instructions

The State's Bidder Instructions (GSPD-451) must be included or incorporated by reference in all competitive solicitations (written or verbal) valued in excess of $4,999.99 for both non-IT goods and IT goods and services, except when the RFP format is used.

The Bidder Instructions describe to potential bidders how to provide a responsive bid to the department.

Click here to access the State's Bidder Instructions (GSPD-451).

4.B8.1 General Provisions

The State's General Provisions (GSPD-401 non-IT commodities or GSPD-401IT, as applicable) shall be used or incorporated by referenced in all competitive solicitations and purchase documents for non-IT goods and IT goods and services (written or verbal) valued in excess of $4,999.99.. A department may supplement the General Provisions with additional provisions tailored to a specific solicitation. There are to be absolutely no changes made to the General Provisions without prior approval of DGS/PD.

Click here to access the State's General Provisions (GSPD-401 non-IT commodities and GSPD-401IT).

4.B8.2 Required clauses for transactions less than $5,000 and supplier's written acceptance

DGS/PD recommends that departments use the State's General Provisions on transactions valued less than $5,000.00.

If departments elect not to include and/or reference the General Provisions, then departments are required to obtain written confirmation, prior to award, that the supplier will abide by the following required contract provisions:
- Americans with Disabilities Act (ADA)
- Non-Discrimination and Statement of Compliance
- Drug-Free Workplace Certification
- Forced, Convict & Indentured Labor
- National Labor Relations Board Certification

The procurement file must include this documentation.

Topic 2 - Bidder Instructions and Required Contract Language, Continued

4.B8.3 IT contract modules

Departments shall include the State's IT contract modules, as applicable, in IT solicitations and purchase documents in excess of $100,000.00. The IT goods and/or services purchased determines what IT contract modules must be included in the solicitation and resulting purchase document. The different IT contract modules are:

- Information Technology Purchase Special Provisions
- Information Technology Maintenance Special Provisions
- Information Technology Software License Special Provisions
- Information Technology Personal Services Special Provisions

Departments may also attach Agency Special Provisions, such as facility security requirements or federal funding requirements or a Statement of Work as applicable to the solicitation.

This "model language" may not be modified without DGS/PD approval.

Example:
If a department is procuring hardware maintenance services only, the buyer shall include a Statement of Work, General Provisions-IT and the IT Maintenance Special Provisions.

Click here for Model IT Contract language.

4.B8.4 IT goods and services solicitations exceeding $500,000

All competitive IT goods and services solicitations valued over $500,000 shall use the IFB/RFP procurement methodology that includes the DGS/PD-developed IFB/RFP Section II, Rules Governing Competition. The State's Bidder Instructions are not to be used in these solicitations.

Section C

Rules for Achieving Competition

Overview

Introduction   This Section described the dollar thresholds and the rules to be used by departments to determine whether competition has been achieved. Also described within this Section is how to determine fair and reasonable pricing.

Contents   This section contains the following topics:

Topic 1 – Dollar Thresholds

4.C1.0 Transactions under $5,000.00

Competition is always the preferred method of acquisition. However, departments may acquire non-IT goods and IT goods and services valued less than $5,000.00 if fair and reasonable pricing can be established without receiving alternate quotes. Examples of fair and reasonable pricing methods include:
- Price Comparison
- Verifying established catalog/market pricing
- Prices set by law or regulation
- Historical comparison.
- Cost/benefit analysis

Departments that elect to accept only one offer under this dollar threshold must include documentation in the procurement file that supports fair and reasonable pricing.

Click here to access the file documentation list for transactions under $5,000.00.

4.C1.1 Non-IT goods transactions valued from $5,000.00 to $25,000.00

Achieving competition within this dollar range is defined as receiving responsive bids from at least two responsible bidders, if the solicitation is not advertised. Whenever solicitations are advertised and distributed amongst interested bidders, the buyer does not control bidder participation, thus the solicitation may result in only one bid response. If the sole bid response is considered responsible and responsive then the contract may be awarded. Refer to Section A, Topic 3 of this Chapter for advertising requirements.

4.C1.2 IT goods and services transactions valued from $5,000.00 to $100,000.00

Achieving competition within this dollar range is defined as receiving responsive bids from at least two responsible bidders, if the solicitation is not advertised. Whenever solicitations are advertised and distributed amongst interested bidders, the buyer does not control bidder participation, thus the solicitation may result in only one bid response. If the sole bid response is considered responsible and responsive then the contract may be awarded. Refer to Section A, Topic 3, of this Chapter for advertising requirements.

Topic 1 – Dollar Thresholds, Continued

4.C1.3 IT goods and services transactions valued from $100,000.01 to $500,000.00

Competitive solicitations conducted for IT goods and services valued in this dollar range are considered "informal" but must include a provision for notice of Intent to Award, must be a written document, must provide language regarding protest procedures and must be advertised.

Click here to access the required language for RFQs that exceed $100,000.00

Whenever solicitations are advertised and distributed amongst interested bidders, the buyer does not control bidder participation, thus the solicitation may result in only one bid response. If the sole bid response is considered responsible and responsive then the contract may be awarded.

Refer to Section A, Topic 3 of this Chapter for advertising requirements.

Topic 2 – How to Determine Fair and Reasonable Pricing

**4.C2.0
Techniques**

In accordance with GC section 14838.5(c) if the estimated value of a transaction is under $5,000.00, buyers shall obtain at least two price quotations from responsible suppliers whenever there is reason to believe a response from a single source is not a fair and reasonable price.

Provided below are five techniques that a buyer may use to determine whether or not a supplier's price can be determined to be fair and reasonable:

Technique	Description
Price comparison	A buyer has obtained and documented quotes or offers within the last 12 to 18 month period from other responsible suppliers which provides evidence that a price obtained is deemed fair and reasonable.
Catalog or market pricing	The price offered is supported by an established and verifiable catalog or market pricing media issued by a responsible supplier and/or through an established reputable forum. In addition, the pricing structure provided is one that a prudent buyer would accept as a reasonable representation of existing market value.
Controlled pricing	The price offered is set by law or regulation; competitively bid master or statewide contracts, etc.
Historical pricing	A buyer is able to demonstrate that other transactions occurring in the past (within a 12 – 18 month period) exist that shows that historical prices for similar acquisitions have yielded no material change in cost. **Note**: The definition of "material" for this technique is deemed to be greater than a 15% increased difference between current and historical pricing.
Cost/benefit analysis	A buyer can demonstrate that their level of experience in the procurement field provides a sufficient knowledge base which clearly indicates that the acquisition cost is so low that the cost to the state of verifying the pricing fairness would most likely be more than any potential benefit that could be reasonable gained from searching out the market place for lower price comparable acquisitions.

**4.C2.1
Compare
identical
situations**

Buyers when evaluating fair and reasonable pricing using price comparisons, catalog/market price and/or historical pricing must base the comparisons on identical situations or those with little variance that doesn't impact the price.

Example
Comparable includes quantity of items, complexity of the procurement, timing of the acquisition and the marketplace (price inflation and/or reduction.).

Topic 2 – How to Determine Fair and Reasonable Pricing,
Continued

4.C2.2 File documentation
The procurement file must contain sufficient documentation to support the fair and reasonable technique used to determine the pricing received is fair and reasonable.

Click here to access the file documentation list for transactions under $5,000.00

Section D

Supplier Selection

Overview

Introduction This section describes the requirements for impartial and comprehensive evaluation and selection processes, ensuring impartiality and comprehensive evaluation of responses as warranted by the complexity of the transaction.

Contents This section contains the following topics:

Topic 1 – Supplier Selection Basics

4.D1.0 An evaluator's responsibility

Evaluators are expected to:
- Be unbiased and to evaluate all bids fairly.
- Excuse themselves from participating in an evaluation if the evaluator or a family member has a personal involvement with the bidder or firm.

Example:
Evaluator's spouse is an employee of the bidder.

4.D1.1 Bid/quote evaluations for phone quotes and RFQs

Buyers should use the Bid/Quote Worksheet to document the bids received resulting from informal phone quotes and RFQs. The worksheet provides a means to easily compile and evaluate the bids received and assists in final selection. This worksheet must be retained in the procurement file.

Click here to access the Bid/Quote Worksheet.   Word   PDF

4.D1.2 IFB/RFP evaluation documentation

Buyers using the IFB or RFP format for non-IT good solicitations exceeding $25,000.00 or IT goods, IT services, or IT goods/services exceeding $100,000.00 must use the evaluation and selection process for contract award as outlined in the Evaluation and Selection Report template. This document will also provide a chronology of the events that occurred during the solicitation process such as:
- Date of advertisement,
- Names of bidders responding,
- Date solicitation released, etc and
- Analysis of all deviations discovered during bid evaluation.

Click here to access the Evaluation and Selection Report template.
    Word…..PDF

Continued on next page

Topic 1 – Supplier Selection Basics, Continued

4.D1.3 Evaluation criteria revisions

Evaluation criteria may not be changed once bids have been submitted.

4.D1.4 Fair and reasonable evaluation

Fair and reasonable evaluations must be conducted and documented in the procurement file for all transactions under $5,000.00 whenever a buyer does not obtain two (2) price quotes from responsible suppliers regardless of:
- Purchasing authority type
- Procurement approach or
- Method of payment (direct charge, Cal-Card, revolving fund, etc.)

Refer to Section C, Topic 2 of this chapter for the technique available to assist a buyer in determining fair and reasonable pricing.

4.D1.5 Public record

During the evaluation, all solicitation and bid information is kept confidential. Once bids are opened, evaluated and awarded, they become public documents available to anyone requesting to review the file. Where the solicitation process requires posting a Notice of Intent to Award, procurement documents become public and bidders may request a review of the procurement file prior to the award of the contract. Refer to Public Records Act, GC 6250 for exemptions from disclosure.

4.D1.6 Bid response/ award availability

Where notices of intent to award are not used, departments shall make available to any requestor, bid response/award information after award is complete. This information is to be retained in the procurement file and is subject to public inspection.

Topic 2 – Determining Responsive Bid and Responsible Bidder

4.D2.0 Responsive and responsible definition

A supplier who is responsible and submits a responsive bid is one who clearly indicates compliance without material deviation from the solicitation's terms and conditions and who possesses the experience, facilities, reputation, financial resources and other factors existing at the time of contract award.

4.D2.1 Determining effective competition

Competition requires the act of seeking responses from qualified suppliers consistent with the size and nature of the procurement. To determine that "competition" has been effective, responsive bids must be received from at least two responsible bidders, unless the solicitation is advertised.

Note: A response of "no bid" or "no response" is not considered as receiving a bid.

4.D2.2 No responsive bids received from responsible bidders

When competition results in no responsive bids from responsible bidders, the buyer has two options

Option 1   The solicitation may be cancelled and re-bid, modifying any possible restrictive requirements. The buyer should also consider methods to broaden the number of potential suppliers.

OR

Option 2   If, in the opinion of the buyer, a second solicitation would not result in a different outcome, the buyer may cancel the solicitation and proceed with an NCB, following the requirements identified in Chapter 5 of this manual. To determine which supplier should be selected as the source, the proposed supplier's bid must be substantially technically compliant/responsive with the specifications and the supplier must be deemed responsible.

4.D2.3 Multiple bids received, only one responsive bid from responsible bidder	When competition results in only one responsive bid from a responsible bidder even though multiple bids were received, a buyer may declare that competition has been achieved under the following conditions after carefully considering all factors of the situation (risk, urgency, and impact to their program): Non-participation due to the State's socio-economic requirements. The buyer must document the procurement file with the reasons why only one responsive bid was received. The buyer will likely have to request this information from bidders who initially responded to the solicitation announcement. Non-participation due to the State's statutory requirements. If non-participation was due to the State's statutory requirements, such as DVBE, Small Business, etc., this information shall be incorporated into the documentation. The file must also be documented with the evaluation of other bidders who were determined to be non-responsive or not responsible. Then, after carefully documenting the rationale, the buyer may proceed with the award.
4.D2.4 Non-participation due to concerns with bid specifications	If non-participation occurs due to concerns with the bid specifications, the buyer must consider three options: Option 1: If the specification(s) in question are not unnecessarily restrictive, the buyer may proceed with award after documenting the file with the rationale used for determination. **OR** Option 2: If the specification(s) in question is determined to be unnecessarily restrictive to one supplier's product, the solicitation may be cancelled and a new solicitation developed modifying the specification(s) as necessary to facilitate fair competition. **OR** Option 3: If the specification(s) and or requirement(s) in question is determined to be unique to one supplier's product and the department determines that only that product meets the departments needs, the buyer must document the file that this solicitation has been determined to be an NCB and may proceed with the award, following the procedures outlined in Chapter 5.

Topic 2 – Determining Responsive Bid and Responsible Bidder, Continued

4.D2.5 Award to other than low bidder

If a buyer determines that the low bidder will not be awarded the purchase transaction and the solicitation is being conducted as a non-IT informal solicitation, (valued less than $25,000.00), the buyer will document the procurement file in sufficient detail to justify the determination of the lowest bidder being non-compliant then award the purchase to the next lowest bidder.

For non-IT goods formal procurement evaluations (those valued more than $25,000.00) when another supplier, other than the lowest responsible bidder meeting specifications is selected for award, documentation explaining why the department recommends rejecting the lower bid must be forwarded to DGS/PD for concurrence prior to contract award. Departments <u>may not</u> make the award without DGS/PD concurrence. Departments must contact the PAMS to facilitate determination of award.

Topic 3 – Material Deviations

4.D3.0 Wording indicating a requirement or condition	The State has established certain requirements with respect to bids to be submitted by prospective contractors. The use of "shall," "must," or "will" (except to indicate simple futurity) in solicitations, indicates a requirement or condition from which a deviation, if not material, may be waived by the State. A deviation from a requirement is material if the deficient response is not in substantial accord with the solicitation requirements, provides an advantage to one bidder over other bidders or has a potentially significant effect on the delivery, quantity or quality of items bid, amount paid to the supplier or on the cost to the State. Material deviations cannot be waived.
4.D3.1 Wording indicating desirable attributes and conditions	The words "should" or "may" in solicitations indicate desirable attributes or conditions, but are non-mandatory in nature. Deviation from, or omission of, such a desirable feature, even if material, will not, in itself, cause rejection of the bid.
4.D3.2 State options	The State may reject any or all bids and may waive any immaterial deviation or defect in a bid. The State's waiver of any immaterial deviation or defect shall in no way modify the solicitation documents or excuse the bidder from full compliance with the solicitation specifications if awarded the contract.
4.D3.3 Determining responsiveness	Departments should evaluate bid responses by first determining that each response is clearly responsive to the bid requirements. If a response does not appear to be responsive, the following questions will assist in the determination of the materiality of the requirement: ▪ Is the response in substantial accord with the requirement? If "no", the deviation is material. ▪ Does the response provide the bidder an advantage over other bidders? If "yes", the deviation is material. ▪ Does the response have a potential significant effect on the delivery, quantity, or quality of the items bid? If "yes", the deviation is material. ▪ Does the response have a potentially significant effect on the amount paid to the supplier or cost to the state? If "yes", the deviation is material.
4.D3.4 Waiving mandatory requirements is prohibited	Material deviations of mandatory requirements cannot be waived and the bid must be rejected. All such deviations must be thoroughly documented in the procurement file to support the rejection.

Topic 3 – Material Deviations, Continued

4.D3.5
Examples of deviation types

Immaterial Deviation:
A deviation can be accepted by the State when it is determined to be of such a minor concern that it carries little or no importance, and by accepting it, it doesn't provide the bidder with any advantage over other bidders.
Example:
A bidder referenced the wrong page in their supporting technical literature. The bidder directed the evaluator to page 4 and the correct page should have been page 5.

Material Deviation:
A deviation in the bid response that cannot be accepted by the State because by accepting it, the response will provide the bidder with an advantage over other bidders either for cost, quantity or quality.
Example:
The solicitation required a system that would serve 500 users and the bidder only offered a system that would serve 250 users.

Click here to access a Deviation Worksheet.   Word   PDF

Topic 4 – Evaluation and Award

4.D4.0 Bid submissions

Generally, bid submissions will be handled as follows:
- Bids will be hand delivered or sent by mail unless the solicitation stated another method, i.e. fax.
- Bids are due by the close of the business day, which is considered 5:00 pm PST on the date indicated unless otherwise stated in the solicitation.
- When sealed bids are required, each bid must be separately sealed inside an envelope, signed, received by the closing time and date specified, and on all forms furnished by the department to be considered for award.
- Bids must be date and time stamped upon receipt.
- Departmental buyers are advised to create a bidder response list recording date and time bids are submitted along with the bidder's company name, the bidder's contact person submitting the bid response and the amount quoted.
- Bids must be kept in a secured area and remain confidential until bid opening.
- Bids submitted after the closing time and date will be considered non-responsive.

IT RFP's requiring a separately sealed cost envelope require evaluation and scoring of all submissions prior to opening the cost envelope to determine the overall score of the bid responses. See Topic 5 in this Section.

4.D4.1 Submission of fax bids

Departments that receive and accept faxed bids must adhere to the following:
- Faxed bids will only be accepted when:
  - The solicitation specifically states they will be allowed;
  - Received on the fax machine at the phone number specified in the solicitation document; and,
  - Completely received prior to the bid opening time indicated on the solicitation.
- The internal clock of the receiving fax machine will be the time by which the official time of receipt will be determined.
- Faxed bids will be determined to be complete only when they:
  - Contain all information necessary to evaluate the bid and
  - Meet all requirements of the solicitation
- The Faxed bid will be sealed immediately upon receipt and remain sealed until bid opening.

Note: IT RFP's may not use this bid submission option.

4.D4.2 Supplier faxes at his own risk	The State does not assume responsibility for a bidder's inability to fully transmit their faxed bid. The bidder assumes full responsibility for timely transmission and receipt by the State prior to the bid opening time. Inability to transmit a bid because of usage and/or possible mechanical problems of the receiving fax machine (which are unpredictable) will not relieve a bidder of this responsibility. This caution should be included in the solicitation whenever faxed bids are allowed.

4.D4.3 Procurement summary document	The evaluation process and resulting source selection decision must be documented for every procurement effort and referenced as a procurement summary. The purpose of the procurement summary is to provide a single document that provides the history of those particular procurement transactions by explaining the significant facts, events and decisions leading up to the contract award.

Procurement summaries should be written clearly, concisely and convincingly to support the soundness of the purchasing decision.

Procurement summary information includes but is not limited to:
- Documenting the offered prices
- Determining that the selected supplier is responsible and the bid is responsive.
- Attaching the Bid/Quote Worksheet or the Evaluation and Selection Report

The buyer must evaluate solicitation responses in accordance with the evaluation methodology established in the solicitation.

Use of the Procurement Summary Document as established by DGS/PD is not required, however, if this form or a revised form of this document is not used, then the procurement file must include the Bid/Quote Worksheet or the Evaluation and Selection Report to document how and why the award was made. Refer to Topic 1, Section D of this chapter for the Evaluation and Selection Report template.

Click here to access a Procurement Summary Document.   Word   PDF

Topic 4 – Evaluation and Award, Continued

4.D4.4 Intent to award

For non-IT goods formal solicitations (those exceeding $25,000.00) departments are required, upon receiving a written request from a bidder or when the lowest bid is rejected, to notify the bidder of the proposed award 24 hours prior to award of the contract.

For IT goods or goods and services solicitations exceeding $100,000.00, the department must notify all bidders of its intent to award the contract at least 5 working days prior to award.

Click here to access a sample Letter of Intent to Award.   Word   PDF

Topic 5 – Evaluation and Award Specific to IT Value Effective Evaluations

4.D5.0 Value effective acquisitions

For IT goods and services transactions valued at over $100,000.00, DGS/PD recommends that departments evaluate bids based on a value-effective methodology, where factors other than cost are of considerable value to the department. Value-effective evaluation methodology is required for all IT goods and services transactions exceeding $500,000.00.

Value effective evaluation methodology weighs the department's requirements by order of importance. The weighting of requirements is usually stated as a percentage of the whole, i.e., administrative and technical requirements = 50% and cost = 50% for a total of 100%. If a department chooses a weighting other than 50/50, it must be approved by the PAMS prior to release of the solicitation.

All requirements must be clearly identified as mandatory or non-mandatory and the points to be scored (or denote non-scorable) must be clearly identified in the evaluation section. The method for determining the winning bid must be clearly stated.

Example

"Award may be made to the supplier achieving the highest number of points from amongst the administrative, technical requirements including cost."

Contact PAMS for advice and recommendations when using this evaluation methodology.

Topic 5 – Evaluation and Award Specific to IT Value Effective Evaluations, Continued

4.D5.1 Two-envelope evaluation procedure

Whenever a value-effective evaluation methodology is used to evaluate IT goods and services bids, the following process must be followed:

Stage	Description
1	All bidder cost information must be submitted in an envelope separate from the technical and administrative proposals.
2	All bidder responses will be kept sealed and under lock and key until evaluation of all technical and administrative criteria is completed and the results published.
3	The sealed cost proposals shall then be opened at the time and place designated in the solicitation and the remainder of the evaluation completed.
4	Evaluators must verify all mathematical calculations. Example: Verify that line extensions are computed correctly and when all lines are added together, they total the final bid total.
5	The department's procurement administrator identified within the solicitation shall execute a Cost Proposal Certificate under penalty of perjury.

4.D5.2 Purpose of the cost proposal certificate

The Cost Proposal Certificate is the State's confirmation that all proposals have been maintained sealed and under lock and key until the time cost proposals are opened. This certification is retained within the procurement file.

Click here to access a sample Cost Proposal Certificate.   Word   PDF